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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 000719

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SUBJECT: GOLKAR SPLITS WITH YUDHOYONO, PRESIDENT NOT WORRIED

REF: JAKARTA 01366

Classified By: Dep Pol/C Stanley Harsha, reasons 1.4(b+d).

- 11. (C) SUMMARY. Golkar Party decided at its April 23 Leaders Meeting to give Party Chairman Yusuf Kalla a mandate to form a coalition to run for President. This face saving mandate will be very difficult for Kalla to carry out though since nearly all the potential coalition parties are already committed to the other two major parties: Partai Democrat (PD) and Indonesian Democratic Party of Struggle (PDI-P). The Golkar decision has little effect on Yudhoyono's strategy since he is in a strong position to lead PD to victory in the July Presidential elections, even without Golkar. Megawati is certain to run with PDI-P, senior party leaders told us, despite some rumors that she might drop out or even persuade her party to boycott the elections. END SUMMARY.
- ¶2. (C) Golkar's April 23 national Leadership Meeting decision to back Yusuf Kalla as their Presidential candidate was a "face saving measure," senior Golkar Parliamentarian Marsuki Darusman told DepPol/C. "This was an honorable way out for him," Marsuki said, noting that it would be "an uphill battle" for Golkar to put together a coalition needed to meet the threshhold of 25% of the total Legislative vote required to field a candidate. With an estimated 14% of the vote, Golkar would need to align with parties that garnered 11%. All the parties which got over 2.5 percent are already nearly committed to either PD or PDI-P. Many of the very small parties, which account for only 17% of the total vote, also are likely committed to other parties.
- 13. (C) In reality, Golkar will likely end up forming a coalition with PD, but only after the Presidential elections, which would put Golkar in a weaker position to demand important Cabinet positions, Darusman said. "That is the price we pay for these erratic actions" of almost reaching a pact to team up with PD and then rashly abandoning it.
- ¶4. (C) PD seemed unfazed by the Golkar decision. Yudhoyono, in an April 22 statement, said PD "remains open to cooperation with other parties, including Golkar." Choel Mallarangeng, PD's political strategist, told DepPol/C that while decisions for the Presidential/VP teams must be made now, coalitions can be formed after the election. He said that PD still wants Golkar to join its Government. In fact, they will give first consideration to a Golkar member running with Yudhoyono, exactly as happened in 2004 when Wiranto was thrashed as the Golkar candidate while Kalla ran with Yudhyono.
- 15. (C) The other Golkar VP contenders include: former Golkar Chair Akbar Tandjung, Yogyakarta Governor Sultan Hemengkubuwono X, businessman Surya Paloh, Speaker of Parliament Agung Laksono, and People's Welfare Coordinating Minister Aburizal Bakrie. However, Marsuki said the only two

who are being seriously considered are Tandjung and Laksono. Mallarangeng indicated that Tandjung would be the best fit.

- 16. (C) Yudhoyono recently laid out five criteria for a running mate: integrity, capability, loyalty, public support and ability to strengthen his ruling coalition. Mallarangeng added that Yudhoyono has several other considerations: non-military to balance Yudhoyono's military background, non-Javanese to achieve regional balance, and someone who brings complementary skills to the office. Leading non-Golkar possibilities include: State Secretary and former National Mandate Party (PAN) Chair Hatta Rajasa; Dr. Boediono, Central Bank of Indonesia Governor; and Coordinating Minister for Economic Affairs Sri Mulyani Indrawati, Mallarangeng said, along with a few others. However, he did not include Hidayat Nur Wahid of the Prosperous Justice Party (PKS) on the shortlist.
- 17. (C) PDI-P Secretary General Pranomo Anung told DepPol/C on April 22 that Megawati would definitely be announced as running for President after that party's April 25 Leadership Meeting. He discounted rumors that she would refuse to run because she believes the Legislative elections were unfair or because she believes she would be trounced. Megawati has several motives for running: she still stands the best chance of all contenders to contest Yudhoyono, she would lose face if she dropped out, and she wants to revenge her 2004 defeat. Even if Megawati decided not to run, PDI-P would put up another candidate, Anung said. PDI-P would not want to see democracy damaged through such a boycott, he said.
- 18. (C) PDI-P needs at least one other party in a coalition JAKARTA 00000719 002 OF 002

to meet the threshold to field a candidate. Right now, it appears that Gerindra and Hanura parties, the parties of the two former generals Prabowo and Wiranto, will align with PDI-P. Gerindra's leader Prabowo would be the most likely VP candidate to team up with Megawati. Yogyakarta Governor Sultan Hamenkubuwono X is another.

- 19. (C) In the unlikely event that PDI-P boycotts the election, Prabowo would step in, forming a coalition with Hanura and many of the smaller parties which he has assiduously courted. It would be a struggle for Prabowo to qualify, but feasible.
- 110. (C) In the even more remote event that PDI-P dropped out and Gerindra could not qualify, experts say Indonesian law is unclear on whether Yudhoyono could run unopposed. The Constitution and the Presidential Election law do not prohibit this, but the election would likely be annulled because it would run counter to free elections, one Constitutional lawyer said. Yudhoyono could also issue a decree lowering the threshold for candidates to run.
- 111. (SBU) In any case, international elections observers said the April Legislative elections were free and fair, despite millions of voters who did not appear on the registration lists. These numbers do not amount to tens of millions of voters as claimed by some of Yudhoyono's opponents, observers said. The National Elections Commission is now cleaning up the voter lists in preparation for the Presidential election. HUME